GENERAL

1. Beyin's views on joint US-UK problems--US Ambassador Douglas transmits the views of British Foreign Secretary Bevin on subjects scheduled for discussion during the forthcoming US -UK conference in Washington. According to Douglas, Bevin feels that a concerted US-UK-French policy should be developed concerning the new West German Government, on domestic German matters, as well as external relations. Bevin reiterated his belief that it would be wise for the western powers to maintain trade relationships and western establishments in China in order to influence the Chinese Communists in favor of the West. Bevin implied that although he would not press for a prompt conclusion of the Austrian treaty if the US disagrees, he considers the quick conclusion of a treaty, even though relatively unsatisfactory, to be more advantageous for the US and the UK than a return of the question to the Council of Foreign Ministers.

British Foreign Office views on Austrian treaty—US Embassy London reports that the British favor the conclusion of an Austrian treaty in the near future because they: (a) have little hope that the Foreign Ministers could arrange better terms; (b) believe that another opportunity for concluding a treaty may be a long way off; and (c) consider it important to get Soviet forces out of Austria before the Yugoslav situation comes to a head, thereby bolstering the Yugoslav will to resist Kremlin pressure. Meanwhile, US Commanding General Keyes in Austria reports the belief of Austrian Foreign Office circles that the USSR will soon have to deal with Tito one way or another and that the Kremlin is vacillating on the Austrian treaty while deciding what to do about Yugoslavia.

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State Dept., OSD reviews completed

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2. Soviet military move against Tito still held unlikely--US Embassy Belgrade reiterates the view that the Kremlin would prefer to accomplish the liquidation of Tito by methods ostensibly internal rather than by the open use of external force. The Embassy believes that the two recent Soviet notes and the rumors of Soviet troop movements fit this pattern. Pointing out that the Kremlin may, however, regard Tito's elimination important enough to justify the risks involved in direct action, the Embassy declares that the only way to deal with this possibility is for the US to make unmistakably clear to the Kremlin that it will not stand idly by and see the sovereignty of any small country violated by the USSR. The Embassy believes that if it becomes appropriate to refer the Tito-Kremlin issue to the Security Council, the matter should be kept to the basic issue of Soviet determination to replace the Tito regime with one subservient to the USSR and that in any event only Yugoslavia should take the issue before the UN.

British views on referring Tito-Kremlin issue to SC--According to US Embassy London, the British Foreign Office has concluded that the Tito-Kremlin dispute has reached the point where all possibility of Soviet military intervention cannot be ruled out and where consideration of preventive measures can no longer be deferred. Concerning the possibility of referring the dispute to the Security Council, the Foreign Office believes that such action would have the merit of bringing the situation before world opinion and might not only deter Soviet action against Yugoslavia but would also be useful against the Soviet "peace offensive." The British Ambassador in Belgrade has reportedly been instructed to sound out Deputy Foreign Minister Bebler concerning the official Yugoslav view on the possibility of referring the dispute to the SC, either by Yugoslavia or some other country.

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THE AMERICAS

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3. BOLIVIA: Bolivian Government asks US aid—
the Acting President of Bolivia has: (a) requested
that figurer and bomber planes be made available from the US
immediately; and (b) declared that the Bolivian armed forces
are insufficient to control the entire country in the present
revolutionary situation. The US Embassy in La Paz reports
that violence has broken out between miners and troops in
the Catavi area and that US personnel are being evacuated.

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(CIA Comment: If miners in other areas act in support of the National Revolutionary Movement (MNR) revolts, the Bolivian Government will have great difficulty in re-establishing order and its survival will be entirely dependent on the continued loyalty of the army leaders.)

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